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C O N F I D E N T I A L SECTION 01 OF 02 VILNIUS 000850

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SUBJECT: LITHUANIA'S SEIMAS ELECTIONS: THE QUIET CAMPAIGN

REF: A. VILNIUS 763

*B. VILNIUS 646

Classified By: Ambassador John A. Cloud for reasons 1.4 (b) and (d).

- 11. (U) This is the third in a series of reports on the upcoming parliamentary elections in Lithuania.
- 12. (C) SUMMARY. Lithuania will hold parliamentary elections on October 12, with run-off elections on October 26. No party is likely to win more than a third of the parliament's 141 seats. A new government likely will be formed in mid-November. The election campaign has been subdued and most observers expect a turnout between 40 and 50 percent, although we have heard predictions as low as 38 percent. Good weather, concern about inflation, and fears of a financial crisis might combine to boost turnout, which will likely be a key factor. Low turnout would favor the Conservatives; high turnout would favor the two populist parties, Labor and Order and Justice. End summary.

The Quiet Campaign

- 13. (U) The new election campaign law that prohibits TV and radio advertising (ref A), combined with already existing regulations, has made for a subdued campaign. In the two week run-up to the elections there are weekly television debates arranged by the Election Commission and there are a plethora of print ads and direct mailings, but overall the campaign is quiet. Advertising in public spaces is limited to temporary plywood signboards in designated places. Signboards are plastered with small posters from a variety of parties, most of which are not visible from passing cars.
- 14. (U) Changes to the election laws already appear to be having a negative impact on voter turnout. Whereas seven percent of voters voted by mail (absentee) in the last parliamentary election, this option has been eliminated. Instead, early voting began on October 8 to accommodate those who, on election day, will be away from the locality where they vote. Although 16,000 people went to vote that day, this amounts to only .6 percent of registered voters. In conversations with average Lithuanians, most people say they will vote, and fears of a financial crisis and general frustration with high inflation may boost turnout, favoring populists. But history would instruct otherwise. Turnout for the last parliamentary election was 46.8 percent. For the 2007 municipal elections, the figure was 41 percent. One political insider predicted to us it could be as low as 38 percent this time around. Low turnout would favor the Conservatives, whose diehard members most certainly will vote.

Four parties continue to lead opinion polls

15. (U) Four parties have led the polls for the last six months: two "traditional" parties, the Conservatives (Homeland Union) and the Social Democrats; and two "populist" parties, Labor, and Order and Justice (ref B). The polls,

however, vary greatly and are not reliable. In addition to the considerable disparity among the four leading polling companies, the process of polling itself is facing difficulties because of increasing wages and a tight labor market, despite the recent economic slowdown. Vladas Gaidys, director of the polling company Vilmorus, told us that it is increasingly difficult to hire interviewers. Political analyst and Kaunas Technical University professor Algis Krupavicius told us that one polling company needed ten days, instead of the usual two or three, to complete its monthly poll.

16. (U) Of the four leading parties, the opposition Conservatives and opposition Order and Justice look poised for a strong showing. The Conservatives have a committed base and are the traditional opponent of the ruling Social Democrats. Order and Justice has run the strongest campaign, especially in rural areas and small cities, and attracted the most funding -- 2.8 million litas (1.1 million USD) versus 1.7 million litas (680,000 USD) for the Conservatives, the next highest fund-raisers. Order and Justice also benefited from a feature film based on the life of its chairman, impeached ex-President Rolandas Paksas. It was shown for free in movie theaters and broadcast on a national television network. The Election Commission fined the film's director for failure to disclose his funding sources, but ruled that there were no grounds to prevent its airing on television.

Second and Third Tier Parties

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- 17. (U) In addition to the Social Democrats and Labor -- who are weaker than they have been in the past, but will still be represented in the next parliament -- three other parties might fare well. The Peasants' Party, led by Agriculture Minister Kazimiera Prunskiene, has a small but solid rural base and Prunskiene is an established force in national politics. The Liberal and Center Union, led by former Vilnius Mayor Arturas Zuokas, has run a sophisticated campaign with automated phone calls and an American PR consultant. The biggest wild card is the National Revival party, led by comedian Arunas Valinskas, whose stated goal is to draw votes away from the populists, in particular Order and Justice.
- ¶8. (U) There are two parties on the cusp of crossing the five percent threshold for party list seats and who also have may win single mandate seats: the left-leaning, current coalition partner Social Liberals (Chaired by Arturas Paulauskas) and the center-right Liberal Movement. Two parties that will rely on single mandate districts to get seats are the newly formed, far left Front, whose chair is former Social Democrat Algirdas Paleckis and the Polish Electoral Action party, which usually wins one or two seats.

Coalition: More than a month away

- ¶9. (U) The October 12 elections will decide about 80 of the 141 seats of the Parliament -- the 70 MPs selected by party list and a few single mandate district seats. The October 26 run-off election will determine the remaining 60 or so single mandate seats where a candidate failed to get over 50 percent of the vote in the first round. Thus, the coalition formation process will remain muddy for some time.
- 110. (C) Based on conversations with party leaders, it is clear that it would be no party leader's first choice to work with the Paksas-led Order and Justice Party. Even Peasants' Party chair Prunskiene, who is a frequent and sometimes fawning guest at Order and Justice party congresses, noted that it would be "uncomfortable" to work with Paksas. Conservative Party Chair Andrius Kubilius has Qso told us

that Paksas is the least desirable of partners. But it will all come down to arithmetic, and, although we believe it highly unlikely that the Conservatives would go into coalition with Order and Justice, we would not rule anything

Comment

111. (C) Barring an unforeseen landslide by Order and Justice or the Conservatives, the October 12 elections will not shed much light on who will be part of a new ruling coalition. The ideological malleability of most political parties means that virtually any combination is possible.